

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

2014 FEB -5 PM 4:13

DEPUTY CLERK

UNITED STATES OF AMERICA

v.

WAYNE JOSEPH SWEENEY

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NO. 3:13-CR-446-B

FACTUAL RESUME

Wayne Joseph Sweeney, the defendant, the defendant's attorneys, Carl Randall Day and Larry Finstrom, and the United States of America agree to the law and facts as follows:

ELEMENTS OF THE OFFENSE

In order to prove the offense alleged in Count One of the Indictment, that is, conspiracy to distribute a controlled substance analogue in violation of 21 U.S.C. § 846, the government must prove each of the following elements beyond a reasonable doubt:

- First:* That two or more persons, directly or indirectly, reached an agreement to distribute substances containing detectable amounts of synthetic cannabinoids, including substances containing controlled substance analogues PB-22 and 5F-PB-22, all of which are Scheduled I controlled substances;
- Second:* That the defendant knew the unlawful purpose of the agreement;
- Third:* That the defendant joined in the agreement willfully, that is, with the intent to further its unlawful purpose;
- Fourth:* That the Scheduled I controlled substance analogues being distributed during the course of the conspiracy were intended for human consumption.

STIPULATED FACTS

Wayne Joseph Sweeney admits that beginning in or about September, 2012, he conspired with others to possess with the intent to distribute and to distribute a quantity of a mixture or substance containing detectable amounts of synthetic cannabinoids, including substances containing controlled substance analogues PB-22 and 5F-PB-22. Sweeney admits and acknowledges that he knew these substances were intended for human consumption.

Sweeney admits that he conspired with Juan Mark Sayegh who owned Greenlight Distributing Inc. (Greenlight), in Phoenix, Arizona. Sayegh, through his company, Greenlight Distributing was responsible for distributing synthetic cannabis and a synthetic cathinone. DEA Investigators conducted undercover purchases of "Mary Jane Potpourri" and "Mary Jane Reserves" from Greenlight distributing. These products were sent to the Southwest Regional Laboratory where they were tested. The analysis showed these items contained JWH-122 (1-Pentyl-3(4-methyl-1naphthoyl)indole). The DEA Drug and Chemical Evaluation Section's official position is that JWH-122 meets the criterion of an analogue of JWH-018 (1-Pentyl-3-(1naphthoyl)indole), a Schedule 1 controlled substance.

In reviewing the financial records obtained by DEA Phoenix during the course of their investigation, investigators determined that one of Greenlight's largest customers was an individual living in Dallas, Texas, named Wayne Joseph Sweeney. Sweeney owned and operated a business called "Hostile Pipes" located at 11306 LBJ Freeway Ste-

150, Dallas, TX 75238. A review of Sweeney's Comerica bank account xxxxxx4103 revealed that between September 2011 to July 2012, Sweeney had wired more than \$500,000 to Greenlight for the purchase of synthetic cannabis products.

In July 2012 DEA investigators executed a search warrant at Greenlight in Phoenix, Arizona. After the Federal Search Warrant was served at Greenlight, Sweeney admits he obtained an additional forty kilogram shipment of synthetic cannabis from Sayegh. Subsequently, Sweeney admits he began to receive his supplies of synthetic cannabinoids from Robert Jaynes, who owned WSW Incorporated in Indianapolis, Indiana in or around September 2012. The supplies of synthetic cannabinoids received from Robert Jaynes were sold by Sweeney through his business known as Hostile Pipes.

Sweeney admits that he directed his employees at Hostile Pipes to help him package the synthetic cannabinoids so that they could be sold. Sweeney admits that the employees who worked for him at Hostile Pipes sold and packaged the synthetic cannabinoids as he directed.

On March 21, 2013, a DEA Confidential Source (CS) conducted an undercover buy at Hostile Pipes and purchased 11 packages of suspected synthetic cannabinoids. The packages were small, blue ziplock style baggies with no markings. The receipt identified the packages as "KO", a product proprietarily known as "Knock Out", a brand of synthetic cannabis unique to Wayne Sweeney. In addition a disposable "travel pipe" was purchased along with the suspected synthetic cannabinoids. The receipt lists a phone number of 214-348-7473 which is the business phone number to Hostile Pipes.

On September 13, 2013, a DEA Confidential Source (CS) conducted an

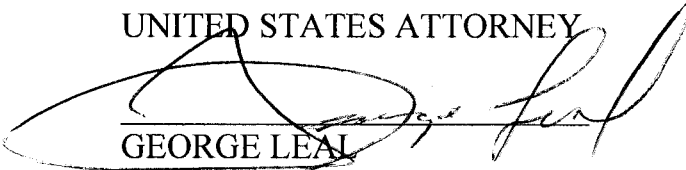
undercover buy at Hostile Pipes and purchased 11 packages of unlabeled suspected synthetic cannabinoids referred to as "Knock Out" by the sales clerk. The packages were small, ziplock style baggies with no markings. The suspected synthetic cannabinoids were submitted to the DEA South Central Laboratory for analysis.

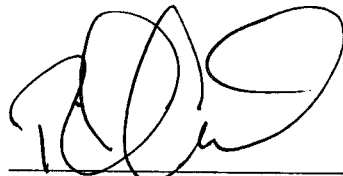
On September 27, 2013, DEA Task Force Officer Daniels, acting in an undercover capacity, conducted an undercover buy at Hostile Pipes. Officers established surveillance and observed Sweeney at the Regency Hotel. Officers observed Sweeney exit the hotel and travel to and enter Hostile Pipes. Officers observed Sweeney exit Hostile Pipes and leave the area a few minutes prior to TFO Daniels arriving. TFO Daniels purchased 11 packages of suspected synthetic cannabinoids. The packages were small, zip-lock style baggies with no markings. The suspected synthetic cannabinoids were submitted to the DEA South Central Laboratory for analysis the lab for testing. Results of the laboratory testing revealed that the packages of contained PB-22 (1-Pentyl-1H-indole-3-carboxylic acid 8-quinolinyl) and 5F-PB-22 (1-5-Fluoropentyl) -1H-indole-3-carboxylic acid 8-quinolinyl ester).

Sweeney admits that he conspired with others to possess with the intent to distribute and to distribute a quantity of a mixture or substance containing detectable amounts of synthetic cannabinoids, including substances containing controlled substance analogues PB-22 and 5F-PB-22. Sweeney further admits and acknowledges that he knew these substances were intended for human consumption. Sweeney further admits that the property referred to in paragraph 13 of the plea agreement constitutes or was derived from proceeds obtained as the result of the offense described in this factual resume.

AGREED TO AND SIGNED this 5th day of February, 2014.

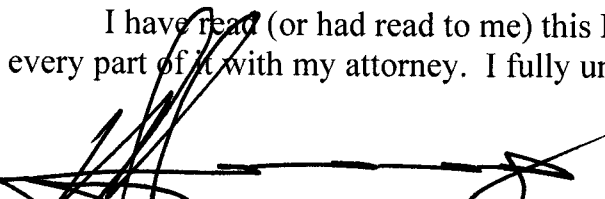
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RICK CALVERT
Deputy Criminal Chief

I have read (or had read to me) this Plea Agreement and have carefully reviewed every part of it with my attorney. I fully understand it and voluntarily agree to it.


WAYNE JOSEPH SWEENEY
Defendant

2-3-14
Date

I am the defendant's counsel. I have carefully reviewed every part of this Plea Agreement with the defendant. To my knowledge and belief, my client's decision to enter into this Plea Agreement is an informed and voluntary one.


CARL RANDALL DAY
Attorney for Defendant

2-3-14
Date

I am the defendant's counsel. I have carefully reviewed every part of this Plea Agreement with the defendant. To my knowledge and belief, my client's decision to enter into this Plea Agreement is an informed and voluntary one.


LARRY FINSTROM
Attorney for Defendant

2-3-14
Date